

8038 and the information required by Section 2(d)(4) above. The Secretary shall make a reservation of any reallocation in writing.

(2) Such reservation shall expire 15 days after its date for privately placed issues, and 21 days after its date for a public sale of bonds or on December 31 of the calendar year in which the reservation is made, whichever is first to occur. The Secretary may extend the 15 day or 21 day reservation period, as the case may be, if bond counsel for the specific Project certifies that such extension is necessary to enable the Issuer to issue the Private Activity Bonds for such Project in compliance with the arbitrage provisions of Section 103 of the Code.

(3) The Issuer named on the draft IRS Form 8038 or by cover letter attached to the draft IRS Form 8038 shall indicate whether the proposed bond issue is being privately placed or publicly sold.

(4) A reservation shall automatically convert to a reallocation on the date or at the time of the issuance and delivery of the Private Activity Bond if, before the expiration of the applicable period set forth in subsection (b)(2) above:

(A) the Private Activity Bond is issued;
and

(B) The Secretary shall have received either (i) a copy of the fully executed IRS Form 8038 or (ii) the executed certification of the Issuer or its bond counsel containing the information which is requested by Section 266G of Article 41 of the Annotated Code of Maryland, as amended (the "Section 266G Certificate").

(c) (1) No reallocations for carryforward projects shall be made between October 1 and December 22, but applications may be filed with the Secretary during this period.

(2) Beginning December 23 through December 31, the Secretary shall make reallocations only for qualifying carryforward projects from any portion of the remaining Maryland State Ceiling under which no Private Activity Bonds have been issued or of which the Secretary has made no allocation.

Section 7. Small Issue Exemption Consideration. The issuance of Private Activity Bonds pursuant to an initial allocation to an Issuer under Section 2 and pursuant to Section 103(b)(6) of the Code shall be accomplished in accordance with the laws, regulations, policies, and procedures applicable to that Issuer; however, to the extent not already required, an Issuer shall consider before approval of the issuance of Private Activity Bonds for any Project:

(a) The availability or feasibility of conventional